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Amber Shultz, Secretary

Laura Kelly, Governor

Kansas Department of Labor (KDOL) Frequently Asked Questions Week of 05/31/21 – 06/04/21

Continued Federal Benefits

The following statement can be attributed to the Governor's Office regarding federal unemployment benefits on 05/12/21:

"At this time, Governor Kelly does not intend to end the federal unemployment benefit programs early. While the Governor will monitor this situation closely over the coming months, her primary focus remains on continuing her administration's record-setting efforts recruiting new businesses and jobs to Kansas. She strongly encourages Kansans who are seeking employment, to visit www.kansasworks.com for job placement resources and assistance."

Modernization Next Steps

What are the next steps on the RFP?

On 04/06/21, Governor Laura Kelly announced a major step forward in the effort to modernize the state's Unemployment Insurance (UI) system at KDOL. The agency issued its Request for Proposal (RFP) for modernizing the over 40-year-old computer system.

Prior to the pandemic, at Governor Kelly's direction, KDOL staff traveled to states that had modernized their unemployment systems to learn from them how Kansas could build a system that would more efficiently serve claimants and businesses. In the past year, the agency has dedicated a specialized team to complete and expedite the modernization plan, incorporating the findings and best practices from these states. The RFP process is the next major step in the agency's effort to modernize.

The system has largely been stabilized and is paying out legitimate claimants in the traditional state unemployment program and new federal benefit programs. This project was included in House Bill 2196, which was signed into law on 04/26/21. The amount of funding for this project is \$37.5 million.

How long will completing the buildout of a new system take?

KDOL's team of SMEs began researching what worked in other states in 2019. That work was paused when the pandemic hit, and picked up again late in 2020. KDOL has repeatedly said that the agency thinks that in 2-3 years it can be done, as we see and learn from other states best practices on their deployments. In the RFP, KDOL has stated a date of fall 2023.



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However, we need to focus on vendor selection and moving through the contract stage. These are the next important steps and the timeline will be included in the contract.

American Rescue Plan Act

Have extensions for programs from the Act paid out yet?

Yes. These extensions began paying out the week ending 03/20/21. PEUC, PUA and FPUC were extended through the week ending 09/04/21.

Claimants can better understand the unemployment programs pathway by clicking here.

For more questions and answers on unemployment insurance programs, please visit the KDOL UI FAQ page by clicking here.

We understand there is a filing change for PUA claimants due to the American Rescue Plan, what is it?

Yes. The American Rescue Plan Act of 2021 now requires that PUA claimants' wages be reassessed each quarter to determine if any new wages have changed their PUA eligibility. To do this, claimants must now reapply for regular UI benefits each quarter. If a claimant is found to be ineligible for regular UI benefits, she/he can continue filing weekly claims for PUA benefits. If the claimant is found eligible for regular UI or PEUC, the person will then file weekly claims for that program.

PUA Backlog

As of 06/01/21, the approximate number of PUA claimants that need to be adjudicated is approximately 590. The week prior (05/24/21), the number was approximately 625.

Regular UI and Adjudications

Last year, the regular UI backlog was at about 25,000. Where does it stand today?

In January, KDOL eliminated the backlog. If there are no issues with a person's unemployment claim, the average turnaround time for paying out on a regular UI claim is approximately six days. If a claim is disputed and needs to be adjudicated, it could take up to a month. These timelines are set in statute.

While you say the backlog for PUA is being worked through, and the regular UI backlog is gone, we still hear from claimants that they have not received payments. Why so many similar cases? Are these people backlogged?



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As we have said before, every claimant's case is like a fingerprint, unique to that person. Further, we cannot publicly speak to any specific claimant's case.

For the original CARES Act, those federal benefit programs ended on 12/26/20.

For the Continued Assistance Act, those federal benefits programs ended on 03/13/21.

Because the CARES Act programs lapsed on 12/26/20, and the majority of Continued Assistance Act programs did not begin paying out until the extensions were coded and programmed until mid-February 2021, many claimants on these programs did see a gap in payments. However, the agency estimates that the majority of the Continued Assistance Act programs either have been paid, or are now being paid, and the agency will continue to pay to legitimate claimants who are due those benefits.

The new ARP programs extend PUA, PEUC and FPUC payments until 09/04/21.

A claimant's benefit year ended, but the person remains unemployed. Does this person need to reapply?

Yes, if a claimant's benefit year has ended and she/he still needs unemployment benefits, this person must file a new initial claim on the GetKansasBenefits.gov website to reestablish a new benefit year (calendar year).

When the person files for a new benefit year, it will be reviewed as a new state unemployment claim and KDOL will determine the claimant's eligibility for either state or federal benefits.

This process of determination may take a few days and claimants will be notified via U.S.Mail. In the interim, claimants should continue to file weekly claims if they are not working or are working reduced hours.

KDOL Contact Center

We are hearing from many residents that they call in and can never get through and that they are calling hundreds of times a day. What is happening at the KDOL Contact Center?

On 03/03/21, Governor Laura Kelly announced that the Kansas Department of Labor would be upgrading the agency's server capacity and adding more availability, staff and support at the Contact Center, which is experiencing ongoing increases in call volume from claimants who are in need of speaking with customer service agents to help with their claims.

KDOL's server migration in mid-March expanded KDOL's capacity for customer service representatives to simultaneously engage with the software to handle claim data and information, and upload of pertinent claimant documentation. The migration was a success.



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The details of expansion include the onboarding and addition of more than 500 customer service agents and surge staff, who are a mix of KDOL and Accenture partners working with claimants. This onboarding process is taking place at this time.

This also includes the additional training for certain surge staff members to handle more complex unemployment insurance benefit cases. Contact Center representatives are available on Saturdays between the hours of 8 a.m. to 5 p.m., Sundays between 1 p.m. - 5 p.m. Weekday hours have been extended from 8 a.m. to 9 p.m.

Why has it taken this long to add these additional staff?

The before mentioned server upgrade was required so that KDOL would have the increased capability to add these new resources. Up until the migration, the agency has been limited by the technical constraints of the existing servers.

Tell us more about auto dialers.

The agency has also communicated the high numbers of calls to the Contact Center traceable to automatic dialing services. Auto dialers do not work with the KDOL phone system. A claimant must call in each time and go through the menu prompts. An auto dialer will not get a claimant through the menu and into the queue. In fact, using one burdens the phone system, making it more difficult for anyone to get through to a customer service representative.

Through our systems and our tools, we are able to recognize call patterns. We can tell by the time between calls. When humans make calls there are some variations, there are not with auto dialers. Someone using the auto dialer will call every 19 seconds (for example), like clockwork. The dialers cannot sequence properly to our menus. Thus, they are just blocking the system for other callers trying to get through.

Any advice for callers to get through to the Contact Center?

Once a caller enters an initial call queue, she/he is able to speak with an initial customer service representative within 15 minutes. Our busiest times for the Contact Center is between the hours of 8 a.m. - 9 a.m. and 1 p.m. - 2 p.m. daily. If possible, claimants should avoid calling during these hours. If a caller gets into the queue, do not hang up. Our highest call volume day of the week is Monday. Our lowest call volume day is Friday.

Unemployment Fraud

When is the second Legislative Post Audit (LPA) report due?

We are working with LPA on that report at this time. If you have questions about timing of the report, we refer you to them.



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What was KDOL's response to the results of the first LPA report?

LPA's estimate of fraud is flawed in both its underlying assumptions and methodologies. LPA also misunderstands important distinctions between the new federal pandemic unemployment insurance programs and existing state unemployment insurance program. LPA also misunderstands KDOL's measures to combat fraud.

It cannot be emphasized enough that fraud has been occurring across all 50 states, Washington D.C., and United States territories, not just in Kansas. Conservative estimates by USDOL estimates that fraud across all state unemployment trust funds and the PUA program totals at least \$63 billion. Kansas is not alone in the fight to protect the integrity of the UI program, and addressing UI fraud is of paramount importance to KDOL and the nation.

Further, on 02/23/20, KDOL released its own findings. Highlights from this announcement include that the agency has estimated that from 01/01/20, it has potentially stopped around 500,000 fraud attempts, totaling around \$22 billion.

In addition, following an in-depth analysis and IRS Form 1099-G reconciliation, KDOL has determined that from 01/01/20 through 12/31/20, about \$140 million in fraudulent claim payments were made from the Kansas regular unemployment insurance program. Additionally, more than \$150 million in fraudulent payments are attributed to federal benefits programs, for a total of \$290 million.

Finally, as part of a robust anti-fraud effort the agency has referred over 50,300 cases of alleged fraud to federal law enforcement partners for investigation and possible criminal prosecution, and is actively working with the Federal Bureau of Investigation, U.S. Secret Service, U.S. Department of Labor's Office of Inspector General (USDOL-OIG) and the U.S. Attorney's office to hold fraudsters to account.

Exactly what is KDOL's security software solution to stop fraud?

This system upgrade identifies and stops the flood of fraudulent claims Kansas and states across the country have been fighting against enabling the team at the Department of Labor to have more time to help unemployed Kansans.

KDOL is seeing a decline, and we hope eventually an outright elimination, of fraudulent benefit notices that individuals and businesses have been receiving from KDOL. The system also provides two-factor authentication so that claimants can more securely log in and access their account.

KDOL has claimed that new software system has been a success. What are the updated metrics?

As of 06/03/21 total claimants attempting authentication: approximately 169,200. Waiting for user action: approximately 5,775. Claimants who were proofed/approved: approximately 104,000. Claimants who have failed their ID proofing and would need to do it again/get help: 59,500. Claimants who experienced



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an error of some sort: approximately 26. In terms of BOTS and fraudulent login attempts we have stopped, approximately 7.80M. Deprovisioned users: 21,500.

Why are some of the numbers dropping?

We are seeing some decreases because accounts with bad email domains (those that KDOL considers fraudulent and we do not let into the system) in the failed ID proofing and waiting for user action segments. These emails were moved to the deprovisioned segment.

We will also process the waiting for user action group on those addresses where no activity has been taken for 60+ days (which we will consider abandoned) and remove them altogether.

So how do the multiple levels of security work?

First gate: Prevents BOT attacks by requiring multi-factor authentication. A computer program that is trying to get in runs high volumes of information into the system, but does not have the ability to verify via email or respond with a code from a text. Therefore, fraudsters using this method cannot register for an account.

Second gate: A person who is a fraudster (as opposed to a BOT/program run by a fraudster) can get through the MFA, but then has to attempt to go through the ID proofing step. This is the identity verification process and where we stop most human fraud. Most fraudsters will stop before attempting the ID proofing, knowing that they will fail. Those accounts are in the *waiting for user action authentication status*, not failed or approved.

Third gate: The identity proofing itself. If a fraudster attempts to go through the ID proofing process, he/she will be asked a number of detailed questions about the credit history associated with the person whose identity they have stolen. Presumably, the fraudster will fail at that point. Those accounts are in the *failed ID proofing* status.

Is it fair to say that a large percentage of users cannot successfully log into their accounts due to the new software system?

No. From a security perspective, there is a difference between total claimants, those waiting for user action and those that were proofed/approved.

The group of total claimants can include legitimate claimants, but also fraudsters trying to get through the security system, and when they do not, they ultimately abandon their verification. Eventually, those abandoned accounts are deprovisioned/deactivated.

We also have fraudsters in the failed ID proofing category, and again those accounts will be deprovisioned/deactivated.



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Easy to disable targets, such as IP numbers, known malicious domains, BOTs, and foreign actors are shutdown at the parameter and represent the failed login/BOT number. However, more sophisticated attacks make it through these barriers, so we have multiple levels of security built into the authentication process.

We hear from claimants that they cannot log on and cannot get help. What are the issues?

We want to reiterate that most of the people registering are getting through and registering successfully.

We have seen some user setting issues with Google Chrome. We suggest trying with Firefox, Safari or Internet Explorer (not Edge). We also believe there are issues with two-factor authentication.

Reminder, everyone will have to establish new login credentials. No exceptions. If they are having issues, we have CSRs on staff ready to help them when they call in to the Contact Center. In addition, it is important to know that total claimants includes users who we are waiting on actions to complete the registration process. Two examples include that they may have abandoned their registration, or have stopped the process for some reason.

There are other actions that will stop the registration process for a user. These are spelled out clearly in the How to Guide we have posted online. Users can access that guide <u>here</u>.

Weekly Initial Claims Numbers

What are this week's numbers?

The regular UI weekly initial claims for the week of 05/29/21 were 2,122. The week prior (week of 05/22/21) were 2,382. This is a -10.9 percent decrease from last week. The weekly initial claim number for the week of 05/30/20 was 7,609. This is -72.1 percent year-over-year decrease.

Employer Trust Fund

What is the weekly balance of the trust fund at this time?

The trust fund balance for the week of 05/29/21 is at \$404.5M, the week before (05/22/21), the balance was \$408.3M. For the week 05/30/20 the balance was \$861.8M, a -53.1 percent drop year-over-year.

Questions Regarding KDOL's Work with the Consulting Firm Accenture

How many Accenture partners are directly supporting claimants?

As of 06/03/21, there are 591 partners working with KDOL on different projects. In terms of surge support and specialty work streams that directly support claims work, that number is 495. For example, these partners may include UI and PUA Contact Center support, fraud operations and correspondence



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or adjudications. We continue to build these numbers up over time, as we have been able to expand their capacity to handle different and more complicated claims work.

Since March 15, 2020 KDOL has paid out over 4.5 million weekly claims totaling over \$2.9 billion between regular unemployment and the federal pandemic programs. For more information, or to apply for unemployment benefits, go to www.GetKansasBenefits.gov.

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